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MAR 22 1999

March 19, 1999

Mr. Lester A. Snow
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, California 95814

Re: Stockton East Water District/Calfed Bay-Delta Program
Our File No. 1026-015

Dear Lester:

We have reviewed the Revised Phase II Plan published by CALFED and have the following comments on behalf of Stockton East Water District.

AREA OF ORIGIN ISSUES

At Page 43 of the Revised Plan, the following statement is made:

Response to Area of Origin/Waiver Rights Issues

The Program is proposing to evaluate whether additional protection of water rights is appropriate. The Program will operate within the system of existing water rights including existing laws and regulations protecting areas of origin.

It is not sufficient that the Program is "proposing to evaluate" whether additional protection of water rights is appropriate. The Program must either comply with the requirements of area of origin and watershed protection statutes or satisfy the needs of those areas so that compliance becomes unnecessary. The Program must commit to undertake an affirmative evaluation of concerns in area of origin communities. In order to comply with CALFED's philosophy of no redirected impacts and getting better together, the Program must address the needs of areas of origin before public money is spent to increase the quality and reliability of exports.

FINANCE ISSUES

Also at Page 43, the Revised Plan states:

Response to Finance/Beneficiary Pays Issues

CALFED will use a benefits-based approach to allocate the costs of the program. Simply put, those who benefit from the program will pay for their fair share of it.

Once again, this statement does not address area of origin issues. We have worked with the Finance Committee to address this issue, and were pleased when the Finance Committee included area of origin issues as one of the items that must be addressed in any financing plan. That fact should be acknowledged in the Phase II Plan.

At page 112, the report must acknowledge that one of the Stage 1 steps is to reconcile area of origin obligations with beneficiary pays principle.

Once again in Section 5.4 at page 129, the same shortcoming must be noted: the beneficiary pays philosophy is again put forth without consideration of area of origin obligations.

WATER USE EFFICIENCY PROGRAM

At page 68, the Revised Plan discusses the Agricultural Water Use Efficiency Program. We are pleased to note that CALFED finally acknowledges that any such program must take "into account the regional differences in available water management options". This recognizes that certain areas, like SEWD, may actually be harmed by increased water use efficiency. Water that escapes into the ground provides valuable recharge, and this opportunity should not be eliminated.

STORAGE

At page 79, CALFED again places emphasis on "linkages and assurances" which are not appropriate in every instance. CALFED states that storage will not be pursued unless success has been achieved in water use efficiency and water transfers. For areas such as eastern San Joaquin County where water use efficiency is not always appropriate and water transfers are not available, this requirement becomes an unwarranted penalty.

Specifically at page 84, it is stated that demonstrated commitment to finance by beneficiaries and demonstrated progress in meeting the Program's water use efficiency, water transfer program targets will be required as a condition for new storage. This must be reworded to acknowledge unique circumstances.

We are pleased to note that CALFED is attempting to set forth a framework that can be used to evaluate conjunctive use programs. We would like to work closely with CALFED to help develop and refine this criteria.

Mr. Lester A. Snow
March 19, 1999
Page 3 of 3

MONITORING, RESEARCH AND ADAPTIVE MANAGEMENT

Stockton East Water District has had a frustrating experience with the concept of adaptive management. On the Stanislaus River, large quantities of water have been released by the Fish and Wildlife Service without scientific justification. The statement has been continually made that we will use "adaptive management" to determine if the flows should be lowed. However, adaptive management requires monitoring and evaluation to continually reevaluate restoration actions. On the Stanislaus River there is no monitoring or evaluation being undertaken by the Fish and Wildlife Service. Out of frustration, local water users have funded studies and monitoring.

At page 113 of the Revised Plan, there should be an acknowledgment that unless a monitoring plan is in place and funded, increased flows for environmental restoration should not be released.

CONCLUSION

Stockton East Water District has committed to participate with CALFED in each of the areas set forth above. In order for CALFED to succeed, these critical issues must be addressed and satisfactorily resolved.

Very Truly Yours,



Jeanne M. Zolezzi
Attorney-at-Law

JMZ:des

cc: Honorable Mike Machado
Honorable Patrick Johnston
Honorable Richard Pombo
Mr. Edward M. Steffani